

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012 AND 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Rural Ambulance Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Rural Ambulance Alliance as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedules of functional expenses on page 9 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of Louisiana Rural Ambulance Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Rural Ambulance Alliance's internal control over financial reporting and compliance.

Postlethwaite - Netherland

Donaldsonville, Louisiana
June 28, 2013

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 909,530	\$ 175,842
Accounts receivable	389,644	57,958
Prepaid expenses	27,702	3,619
Buildings and equipment, net	<u>552,159</u>	<u>613,035</u>
 TOTAL ASSETS	 <u><u>\$ 1,879,035</u></u>	 <u><u>\$ 850,454</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 318,266	\$ 14,077
Salaries and payroll taxes payable	855	1,585
Deferred revenue	<u>-</u>	<u>13,775</u>
 TOTAL LIABILITIES	 <u>319,121</u>	 <u>29,437</u>
<u>NET ASSETS</u>		
Unrestricted	<u>1,559,914</u>	<u>821,017</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,879,035</u></u>	 <u><u>\$ 850,454</u></u>

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>REVENUES AND OTHER SUPPORT</u>		
Public Support		
Grants and contracts with government agencies	\$ 7,834,842	\$ 340,687
Other Revenue		
Membership dues	67,975	57,625
Educational events and training	500	10,480
Interest and dividend income	55	272
Miscellaneous	1,567	15,799
Total revenues and other support	<u>7,904,939</u>	<u>424,863</u>
<u>EXPENSES</u>		
Program services		
Grants and contracts	6,786,979	313,214
Member services	121,065	54,261
Conferences and educational services	-	7,168
Support services		
General and administrative	257,998	276,155
Total expenses	<u>7,166,042</u>	<u>650,798</u>
Change in unrestricted net assets	738,897	(225,935)
Unrestricted net assets at beginning of year	<u>821,017</u>	<u>1,046,952</u>
Unrestricted net assets at end of year	<u>\$ 1,559,914</u>	<u>\$ 821,017</u>

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 738,897	\$ (225,935)
Adjustments to reconcile change in net assets (used in) operating activities:		
Depreciation	157,416	133,237
Increase in accounts receivable	(331,686)	(22,960)
Increase in prepaid expenses	(24,083)	(3,619)
Decrease in accounts payable	304,189	(7,705)
Decrease in salaries and accrued benefits payable	(730)	(349)
Decrease in deferred revenue	(13,775)	(41,756)
Net cash provided by (used in) operating activities	<u>830,228</u>	<u>(169,087)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of buildings and equipment	<u>(96,540)</u>	<u>(40,752)</u>
Net cash used in investing activities	<u>(96,540)</u>	<u>(40,752)</u>
Net decrease in cash and cash equivalents	733,688	(209,839)
Cash and cash equivalents at beginning of year	<u>175,842</u>	<u>385,681</u>
Cash and cash equivalents at end of year	<u>\$ 909,530</u>	<u>\$ 175,842</u>

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The Louisiana Rural Ambulance Alliance (the Alliance) is a non-profit organization formed on September 8, 1995 to promote the ambulance industry in the State of Louisiana. To accomplish this purpose the Alliance engages in educational and legislative activities on behalf of its members.
- B. To ensure proper usage of restricted and unrestricted assets, the Alliance maintains its accounts according to generally accepted accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. Buildings and equipment are recorded at cost and are being depreciated using the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Other equipment	5 - 10 years

- D. Management considers accounts receivable that are more than 30 days old to be past due and uncollectible. No reserve for uncollectible accounts has been established. Management has determined that all receivables as of year end are collectible.
- E. The majority of the Alliance's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to approval by the granting agencies.
- F. The Alliance reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The Alliance has no temporary or permanently restricted net assets at December 31, 2012.

The Alliance reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Alliance reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

- G. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- H. The Alliance considers all cash accounts and all highly liquid deposits with a maturity of three months or less when purchased to be cash and cash equivalents.
- I. The Alliance accounts for income taxes in accordance with income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

The Alliance is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Alliance has not recorded a provision for income taxes in the accompanying financial statements and the Alliance does not have any uncertain tax positions. The Alliance files a federal income tax return under U.S. federal jurisdiction. With few exceptions, the Alliance is no longer subject to U.S. federal examinations by tax authorities for the year before 2009.

- J. Expenses are charged directly to programs in categories based on specific identification. Indirect expenses have been allocated based on amounts approved by the respective contracts.

2. **Buildings and Equipment**

Buildings and equipment at December 31, 2012 consist of the following:

	<u>2012</u>	<u>2011</u>
Building	\$ 105,255	\$ 105,255
Furniture and equipment	1,198,494	1,101,954
	<u>1,303,749</u>	<u>1,207,209</u>
Less: Accumulated depreciation	(751,590)	(594,174)
	<u>\$ 552,159</u>	<u>\$ 613,035</u>

Depreciation expense was \$157,416 and \$133,237 for the years ended December 31, 2012 and 2011, respectively.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

3. **Contributions from Government Agencies**

Contributions from government agencies for the years ended December 31, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Department of Health and Hospitals – EMS Allocation Fund	\$ 216,935	\$ 273,736
Department of Health and Hospitals – HRSA – ERHIT	289,410	42,260
Department of Health and Hospitals – Surge Contract	7,308,492	-
Louisiana Emergency Response Network	20,005	24,691
Total	<u>\$ 7,834,842</u>	<u>\$ 340,687</u>

4. **Deferred Revenue**

The Alliance receives dues from its members in exchange for certain services. The dues are billed to the members during October of each year and are earned on a calendar year basis. Some of the members have paid dues prior to the start of the subsequent calendar year. Deferred membership dues totaled \$- and \$13,775 for the years ended December 31, 2012 and 2011, respectively.

The contract with the Department of Health and Hospitals includes the advance lump sum payment of salaries and benefits for a one year period for the Designated Regional Coordinator.

5. **Subsequent Events**

In preparing the financial statements, Louisiana Rural Ambulance Alliance has evaluated events and transactions for potential recognition or disclosure through June 28, 2013, and has determined that no events occurred that require disclosure.

SUPPLEMENTARY INFORMATION

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2012 AND 2011

	Program Services				Support Services	Memorandum Only 2011
	Grants and Contracts	Member Services	Conferences and Educational Services	Total	General and Administrative	
Salaries	\$ 105,747	\$ -	\$ -	\$ 105,747	\$ -	\$ 58,461
Employee benefits	3,845	-	-	3,845	-	5,088
Committees and memberships	2,409	4,278	-	6,687	375	43,830
Continuing education	-	-	-	-	-	41,022
Contract services	6,510,467	2,000	-	6,512,467	73,731	130,955
Insurance	-	-	-	-	8,194	25,887
Interest and bank charges	-	-	-	-	34	1,745
Meals and entertainment	-	1,493	-	1,493	-	570
Miscellaneous	15,617	5,094	-	20,711	1,113	21,328
Office expense	1,292	255	-	1,547	231	814
Postage	-	45	-	45	-	107
Professional services	14,035	101,885	-	115,920	6,254	88,952
Rent	6,250	-	-	6,250	-	1,250
Repairs and maintenance	50,454	-	-	50,454	-	46,681
Supplies	51,571	138	-	51,709	5,244	19,544
Taxes and licenses	-	-	-	-	1,279	1,527
Telephone	983	-	-	983	-	2,163
Travel and lodging	24,309	5,877	-	30,186	1,024	26,234
Utilities	-	-	-	-	3,103	1,403
Total expenses before depreciation	6,786,979	121,065	-	6,908,044	100,582	517,561
Depreciation of buildings and equipment	-	-	-	-	157,416	133,237
Total Expenses	\$ 6,786,979	\$ 121,065	\$ -	\$ 6,908,044	\$ 257,998	\$ 650,798

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Rural Ambulance Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, and cash flows for the two years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2013.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Louisiana Rural Ambulance Alliance's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Rural Ambulance Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Rural Ambulance Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. This deficiency is described in item 2012-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Rural Ambulance Alliance's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Louisiana Rural Ambulance Alliance in a separate letter dated June 28, 2013.

Louisiana Rural Ambulance Alliance's Response to Findings

The Alliance's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Alliance's responses and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. This report is intended solely for the information and use of the board of directors, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

For the Auditor: Nathaniel

Donaldsonville, Louisiana
June 28, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON
INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Louisiana Rural Ambulance Alliance's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Louisiana Rural Ambulance Alliance's major federal programs for the year ended December 31, 2012. Louisiana Rural Ambulance Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Louisiana Rural Ambulance Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana Rural Ambulance Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Louisiana Rural Ambulance Alliance's compliance.

Opinion on Surge Emergency Medical Transportation Ground and Air Program

In our opinion, Louisiana Rural Ambulance Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Surge Emergency Medical Transportation Ground and Air Program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Louisiana Rural Ambulance Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Louisiana Rural Ambulance Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Louisiana Rural Ambulance Alliance's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Louisiana Rural Ambulance Alliance as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon dated June 28, 2013, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

For the Committee: Nathanella

Donaldsonville, LA
June 28, 2013.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's/Project Number	Total Current Year Expenditures
PASS-THROUGH PROGRAMS:			
U.S. Department of Health & Human Services			
La Department of Health and Hospitals			
National Bioterrorism Hospital Preparedness Program			
Grant Period 12/1/11 - 4/30/12	93.889		\$ 82,020
Grant Period 5/1/12 - 9/30/12	93.889		90,331
Grant Period 10/1/12 - 9/30/13	93.889		28,761
Reallocation	93.889		12,907
Reallocation 2	93.889		2,916
Subtotal National Bioterrorism Hospital Preparedness Program			<u>216,935</u>
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912		<u>289,410</u>
Louisiana Division of Administration			
Surge Emergency Medical Transportation Ground and Air	93.409253	409253	<u>6,409,252</u>
Totals			<u><u>\$ 6,915,597</u></u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Rural Ambulance Alliance and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

NOTE B - RECONCILIATION OF FEDERAL REVENUES TO FEDERAL EXPENDITURES

The federal revenues are recognized in the financial statements as follows:

Grants and contracts with government agencies	\$ 6,915,597
Federal expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 6,915,597</u></u>

LOUISIANA RURAL AMBULANCE ALLIANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2012

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency identified that is not considered to be material weaknesses? ☒ yes ☐ no

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency identified that is not considered to be material weaknesses? ☐ yes ☒ no

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

☐ yes ☒ no

Identification of major program:

CFDA Number

93.409253

Name of Federal Program or Cluster

Surge Emergency Medical Transportation Ground and Air

Dollar threshold used to distinguish between Type A Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

LOUISIANA RURAL AMBULANCE ALLIANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

None

SIGNIFICANT DEFICIENCIES

2012-01 Adjustments and Misclassifications

Criteria: Revenue and expenses should be properly classified in the financial statements as well as recorded in the proper period to allow for proper reporting.

Condition: Adjustments were made for revenue and expenses that were not recorded in the proper period. Additionally, adjustments were made for reclassifications of expenses that should have been capitalized as well as expenses that were not properly segregated as to allow for proper reporting in the financial statements.

Cause: There are no controls in place to verify that revenue and expenses are classified and recorded in the proper period.

Effect: Adjustments are required to be made to the financial records in order for the financial results to be properly reflected in the financial statements.

Recommendation: Revenue and expenses should be recorded in the proper periods. Purchases that qualify as capital expenditures should be properly recorded as capital assets in the financial records. Expenses should be properly segregated so as to allow for proper reporting in the financial statements.

Management's Response: We will record revenue and expenses in the proper period. We will also properly record all capital assets in accordance with our capitalization policy. Modifications have been made to our chart of accounts to allow for proper reporting in the financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

LOUISIANA RURAL AMBULANCE ALLIANCE

SCHEDULE OF PRIOR FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2012

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

None

SIGNIFICANT DEFICIENCIES

2011-01 Adjustments and Misclassifications

Finding: Adjustments were made for revenue and expenses that were not recorded in the proper period. Additionally, adjustments were made for reclassifications of expenses that should have been capitalized as well as expenses that were not properly segregated as to allow for proper reporting in the financial statements.

Current Status: A similar finding was noted in the current year.

COMPLIANCE WITH LAWS AND REGULATIONS

None



Louisiana Rural Ambulance Alliance

P.O. Box 242 ♦ Plattenville, LA 70393 ♦ 5010 Hwy 1 ♦ Napoleonville, LA 70390
225-612-3177 ♦ www.louisianaambulancealliance.org

CORRECTIVE ACTION PLAN

June 28, 2013

Louisiana Legislative Auditor

Louisiana Rural Ambulance Alliance respectfully submits the following corrective action plan for the year ended December 31, 2012.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC

P. O. Box 1190

Donaldsonville, LA 70346

Financial Statement Period: January 1, 2012 – December 31, 2012

The findings from the Schedule of Findings and Responses and Management Letter are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule of Findings and Responses and the Management Letter.

SIGNIFICANT DEFICIENCIES

2012-01

ADJUSTMENTS AND MISCLASSIFICATIONS

Finding: Adjustments were made for revenue and expenses that were not recorded in the proper period. Additionally, adjustments were made for reclassifications of expenses that should have been capitalized as well as expenses that were not properly segregated as to allow for proper reporting in the financial statements.

Responsible Personnel: Brooke Campo, Eric Miller, Donna Newchurch (oversight)

Action Taken: We will record revenue and expenses in the proper period. We will also properly record all capital assets in accordance with our capitalization

policy. Modifications have been made to our chart of accounts to allow for proper reporting in the financial statements.
Date Action Complete: July 30, 2012

ML 2012-01

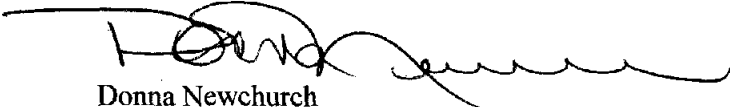
SUPPORTING DOCUMENTATION

Finding: In the testing of the Surge EMT Ground and Air expense, it was noted that LRAA relied upon information provided to them from LA BEMS in order to determine some of the requests for reimbursement under this contract. The supporting documentation from the service providers was not used in determining the reimbursement requests. In some cases, the supporting documentation from the service providers was not obtained. Had the information been supplied by the providers been complete and compared to information compiled by LA BEMS, it could have resulted in additional hours available to be reimbursed.

Responsible Personnel: Brooke Campo, Donna Newchurch, EMS Providers

Action Taken: LRAA will attempt to obtain and maintain supporting documentation for all transactions in order to track hours such that proper reimbursements are requested from funding agencies.

The above corrective action plan addresses the current year findings. If you need additional information concerning the corrective action plan, please contact Donna Newchurch, CEO, P. O. Box 242, Plattenville, LA 70393.



Donna Newchurch
Chief Executive Officer
Louisiana Rural Ambulance Alliance

To the Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

We have audited the financial statements of the Louisiana Rural Ambulance Alliance (LRAA) for the years ended December 31, 2012 and 2011, and have issued our report thereon dated June 28, 2013. Professional standards suggest that we provide you with the following information related to our audit.

As stated in our engagement letter dated April 23, 2013, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the LRAA. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure. During the course of the performance of our audit procedures and documentation of the LRAA's internal controls, we noted certain immaterial items that have been communicated to management by way of discussion. The following is a description of items that were of such significance to comment in a formal management letter.

ML 2012-01

SUPPORTING DOCUMENTATION

Finding:

In the testing of the Surge Emergency Medical Transportation Ground and Air expenses, it was noted that the LRAA relied upon information provided to them from the Louisiana Bureau of Emergency Services (La. BEMS) in order to determine some of the requests for reimbursement under this contract. The supporting documentation from the service providers was not used in determining the reimbursement requests. In some cases, the supporting documentation from the service providers was not obtained. Had the information supplied by the providers been complete and compared to information compiled by La. BEMS, it could have resulted in additional hours available to be reimbursed.

Recommendation: Supporting documentation for all transactions should be obtained and maintained in order to track hours such that proper reimbursements are requested from funding agencies.

This information is intended solely for the use of the board of directors and management of the Louisiana Rural Ambulance Alliance and should not be used for any other purpose.

Patricia A. Stettin

Donaldsonville, Louisiana
June 28, 2012